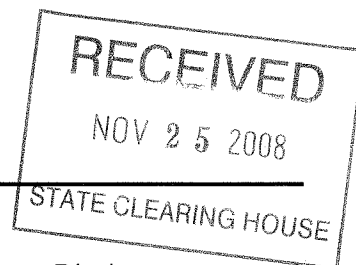


## Notice of Preparation



To: State Clearinghouse, Responsible Agencies,  
Trustee Agencies, Interested Parties

(Agency)

*see distribution list*

(Address)

From: Semitropic Water Storage District

(Agency)

1101 Central Avenue  
Wasco, CA 93280-0877

(Address)

### **Subject: Delta Wetlands Project Place of Use Environmental Impact Report**

The Semitropic Water Storage District (Semitropic) is proposing the Delta Wetlands Project (Project). Semitropic is a public water agency located in Kern County that provides water to nearly 300 customers for the irrigation of approximately 140,000 acres for agricultural uses. The Project would provide water to Semitropic to augment its water supply, would bank water within the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank, and would provide water to other places of use described below.

The Project has five basic parts: diversion of water in the Sacramento–San Joaquin River Delta (Delta), water storage on two Delta islands, habitat creation, supplemental water storage in groundwater banks south of the Delta, and provision of water supply for south-of-Delta users. The primary aspects of the Project are substantially unchanged from the Project as analyzed in the Final Environmental Impact Report (EIR) issued by the State Water Resources Control Board (State Water Board) in January 2001 (SCH#1988020824) and the Final Environmental Impact Statement (EIS) issued by the U.S. Army Corps of Engineers (Corps) in July 2001 (66 Fed Reg 40698 (2001)). The portions of the Project that remain unchanged are not within the scope of this EIR.

In compliance with *Central Delta Water Agency v. State Water Resources Control Board*, 124 Cal.App.4th 245 (2004), the water supply portion of the Project has been revised to identify specific places of use of water. Groundwater banking capability south of the Delta has also been added to the Project to provide additional water supply reliability and operational flexibility in the provision of water to the places of use. Petitions to change the Project's water rights applications to add places of use and places of underground storage have been filed with the State Water Board. Accordingly, the scope of this California Environmental Quality Act (CEQA) analysis focuses primarily on the changes to the Project description proposed in the petitions for change regarding specific places of use for Project water, estimated diversion amounts, beneficial uses, means of transfer, and storage of water in groundwater banks. This CEQA analysis will also update the 2001 Final EIR to consider new information or changed circumstances, including new listings and changes in the status of threatened and endangered species.

Semitropic, acting as lead agency under CEQA, has determined that an EIR will be prepared. Responsible and trustee agencies under CEQA are likely to include the State Water Resources Control Board; Central Valley Regional Water Quality Control Board; California Department of Water Resources; California Department of Fish and Game; California Department of Transportation; Bay Area Air Quality Management District; San Joaquin Valley Unified Air Pollution Control District; Reclamation Districts 756 (Bouldin Island), 2025 (Holland Tract), 2026 (Webb Tract), and 2028 (Bacon Island); California State Lands Commission; California State Office of Historic Preservation; Native American Heritage Commission; Delta Protection Commission; San Joaquin County; Contra Costa County; San Bernardino Valley Municipal Water District; Western Municipal Water District of Riverside

County; and The Metropolitan Water District of Southern California. Federal agencies that may be involved in the action include the U.S. Fish and Wildlife Service; U.S. Department of the Interior, Bureau of Reclamation; National Marine Fisheries Service; U.S. Environmental Protection Agency; and the U.S. Army Corps of Engineers.

The following sections provide a general description of the Project and identify the specific changes to the Project that will be within the scope of this CEQA analysis. This NOP also presents the environmental factors potentially affected by the proposed project and the environmental topics expected to be addressed in the EIR, and provides the schedule and location of the public scoping meetings.

## Project Background and History

The Project, through private party initiative, first filed water right applications with the State Water Board and a Clean Water Act Section 404 permit application with the U.S. Army Corps of Engineers in 1987. Through agency coordination, public review, and recent partnerships with water users, the Project has gone through several iterations.

Since the early 1990s, the Project has been designed to involve diverting and storing water on two Delta islands (Webb Tract and Bacon Island, or “reservoir islands”) and to divert water seasonally to create and enhance wetlands and to manage wildlife habitat on two other islands (Bouldin Island and most of Holland Tract, or “habitat islands”)(Figure 1). The stored water would be provided to potential users within the Central Valley Project (CVP) and State Water Project (SWP) service areas. Because the Project was proposed by a private applicant, the State Water Board, as key state regulatory agency for project approval, was deemed lead agency for CEQA compliance purposes. The Corps, the key federal regulatory agency for project approval, was lead agency for National Environmental Policy Act compliance purposes. The Draft EIR/EIS was released in September 1995. A Revised Draft EIR/EIS was released in May 2000 providing additional information on water rights and water supply issues. A Final EIS was issued in July 2001, and the Clean Water Act Section 404 permit was issued by the Corps to the Project later that year. A Final EIR was issued in January 2001. In February 2001, the State Water Board issued Water Right Decision 1643 approving the water right applications, and certified the Final EIR (SCH#1988020824). The State Water Board issued water right permits for the Project in June 2001. In April of 2002, the Sacramento County Superior Court rejected legal challenges to the Project.

The Third District Court of Appeal in *Central Delta Water Agency v. State Water Resources Control Board*, 124 Cal. App. 4th 245 (2004), affirmed the Superior Court decision in nearly every respect, but set aside the water right permits for failure “to specify an actual use of and the amounts of water to be appropriated.” The Court required that the “actual, intended” buyers of the water, and not potential users, be identified in amended water right applications before the State Water Board can issue revised permits. The Court also held that “the CEQA determination is reversed subject to the inclusion of an environmental analysis ... when the end users are provided in an amended permits [sic].”

In accordance with the Court of Appeal decision, the State Water Board in Order WR 2005-0023-EXEC set aside Resolution 2001-25 certifying the 2001 Final EIR and Decision 1643 issuing water right permits.

In June 2007, the Project entered into an agreement with the Semitropic Water Storage District whereby Semitropic agreed to carry out the Project and to replace the State Water Board as the CEQA lead agency. Pursuant to that agreement, Project water shall be provided to Semitropic for irrigation purposes within its service area, Semitropic shall identify other places of use for the Project water, and Semitropic shall

integrate the Semitropic Groundwater Storage Bank into Project operations to provide additional water supply reliability and operational flexibility in the provision of water to the places of use.

The Project has also entered into agreements for the provision of Project water to the Valley Mutual Water Company (Valley Mutual) for irrigation purposes and for the banking of Project water in the Antelope Valley Water Bank, which underlies land served by Valley Mutual Water Company and for the provision of Project water to Golden State Water Company (Golden State) for municipal and industrial and domestic purposes.

The Project is also investigating other potential users of Project water. The Project has identified the San Bernardino Valley Municipal Water District (Valley District), the Western Municipal Water District of Riverside County (Western), and the member agencies within The Metropolitan Water District of Southern California (Metropolitan) as likely places of use of Project water. The likely places of use would receive Project water through direct delivery or delivery from groundwater banks. Water delivered to Valley District may also be used to replenish the Yucaipa groundwater basin, the San Bernardino Basin Area, or the Rialto/Colton groundwater basin, either directly or by means of in-lieu recharge. Water delivered to Western may also be used to replenish the Riverside or Arlington groundwater basins, either directly or by means of in-lieu recharge.

The Project will submit petitions to change water right Application Nos. 29062, 29066, 30268, and 30270 to identify specific places of use and places of underground storage, as described in more detail below.

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## **Proposed Project**

### **Project Purpose**

The overall purpose of the Project is to increase the availability of high-quality water in the Delta for export or outflow by storing water on two reservoir islands; and by doing so increase the reliability of water supplies for existing users, including that for Semitropic, Valley Mutual, Golden State, and other places of use. Further, the Project will compensate for wetland and wildlife effects of the water storage operations on the reservoir islands (Webb Tract and Bacon Island) by implementing a habitat management plan (HMP) on two habitat islands (Bouldin Island and Holland Tract).

The Project purpose will be met by diverting Delta inflow during times of surplus (after all water quality or flow requirements for the Bay-Delta estuary are met). The diverted water will be stored on the reservoir islands until released for redirection and conveyance using SWP and CVP facilities to south-of-Delta users, including users within Semitropic's service area and the other specified places of use; or for banking within the Semitropic Groundwater Storage Bank or Antelope Valley Water Bank or other groundwater basins within the specified places of use for later delivery to the places of use; or released to enhance water quality, outflow, and fish and wildlife in the Bay-Delta estuary. No infrastructure or facilities, other than those already described in the State Water Board 2001 Final EIR (SCH#1988020824), are proposed to convey Project water to the places of use. Water would be delivered via existing and previously approved facilities operated and maintained by the SWP, CVP, and those within the proposed places of use. The operation and construction of the water banks have been separately analyzed in the Antelope Valley Water Bank Final EIR (SCH#2005091117), Semitropic Groundwater Banking Project Final EIR (SCH#1993072024), and Semitropic Groundwater Bank Stored Water Recovery Unit Final Supplemental EIR (SCH#1999031100). Accordingly, the operation and construction of the Semitropic Groundwater Storage Bank or Antelope Valley Water Bank is not analyzed in this Project. As noted above, the Project would provide managed wetlands and wildlife habitat areas. Additionally, the Project would accommodate recreation uses.

New purposes of the Project are to provide Project water to improve the reliability of the existing water supplies for Semitropic, Golden State, Valley Mutual, and other likely users of water, and to maximize the provision of water for the places of use by storage of surplus Project water in the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank for later delivery to the places of use for direct use and groundwater replenishment.

## **Project Elements**

As described in the State Water Board 2001 Final EIR, (SCH#1988020824), the Project would consist of the following elements:

- installation of diversion and discharge infrastructure (siphons and pump stations);
- levee improvements to protect water storage and managed habitat facilities, and to improve reservoir island structural integrity;
- operation and maintenance of the Project for diversion, discharge, and habitat management;
- maintenance and support of recreation facilities for boating and hunting; and
- provision of Project water to improve the reliability of the existing supplies of water for irrigation, municipal, industrial and domestic purposes to specifically identified places of use.

Conveyance of the water to the proposed places of use using existing and previously approved facilities operated and maintained by the SWP, CVP, and those within the places of use. No additional facilities would be required to deliver Project water to the specified places of use.

Water banking capability has also been added to the Project. This new element of the Project entails banking of Project water in the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank for later use by Semitropic, Valley Mutual, Golden State Water Company, and other likely users. The operation and construction of the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank have been analyzed in prior EIRs and are not within the scope of this EIR.

## **Location and Setting**

### **Reservoir and Habitat Islands**

Figure 1 shows the Project location. The reservoir and habitat features of the Project are located in the central portion of the Delta, on the islands known as Bacon Island, Bouldin Island, Holland Tract, and Webb Tract. The interconnected waterways around the islands include the Mokelumne River, Potato Slough, San Joaquin River, False River, Old River, Connection Slough, Middle River, Holland Cut, and Sand Mound Slough.

The City of Sacramento is roughly 35 miles north of the Project and the City of Stockton is roughly 15 miles southeast. The reservoir and habitat features of the Project overlap San Joaquin County and Contra Costa County. State Route (SR) 12 crosses Bouldin Island, SR 160 is to the west, SR 4 is to the south, and Interstate 5 is to the east.

This area of the Delta is primarily characterized by corporate agriculture (annual crops) and recreational use on the interconnected waterways (such as fishing and boating).

## **Places of Use and Purposes of Use**

As directed by the Court in *Central Delta Water Agency v. State Water Resources Control Board* the “end users” have been identified for the Project. Places of use for water developed by the Project include Semitropic, service areas of Golden State, and Valley Mutual. These places of use have demonstrated need and capacity for additional sources of water to improve the reliability of their existing water supplies to meet current demand, and have infrastructure in place for conveyance and transfer of the Project water. Other likely places of use include Valley District, Western, and member agencies within Metropolitan.

As noted previously, Project water will be conveyed to the proposed places of use using existing state, federal, and/or local water conveyance facilities. No new facilities would be required to convey the water to the end users. Project water not directly delivered to the places of use would be banked water within the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank proposed places of underground storage for later delivery to the places of use. Project water will be conveyed to, stored in, and recovered from the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank using existing State, federal, and/or local water conveyance facilities. The Semitropic Groundwater Storage Bank has been operating since the early 1990s. A portion of the first phase of the Antelope Valley Water Bank is complete and is fully operational at this time. Future phases of the Antelope Valley Water Bank will be constructed as additional recharge and recovery capacity is required. The construction and operation of the Antelope Valley Water Bank has been approved and is not a part of the Project. As analyzed in the 2001 Final EIR, Project water also may be released to benefit outflow, water quality, and fish and wildlife resources in the Bay-Delta estuary.

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### **Semitropic Water Storage District**

Water exported to Semitropic from the Project would augment Semitropic’s overlying groundwater and State Water Project water supplies. Semitropic is a public water agency located in Kern County, and provides water to nearly 300 customers for the irrigation of approximately 140,000 acres for agricultural uses. Established in 1958, Semitropic began as an irrigation district for the purpose of securing State Water Project supplies to reduce groundwater overdraft. The Project furthers Semitropic’s objectives to increase water supply reliability, decrease the cost of water for irrigation, maximize the use of 1.65 million acre-feet of groundwater storage, and enhance the water balance in the groundwater basin.

### **Golden State Water Company**

Water exported to Golden State from the Project would increase the reliability of existing municipal and industrial deliveries. Golden State is a private water company and provides water service to over 255,000 customers located within 75 communities throughout 10 counties in Northern, Coastal, and Southern California. Project water would be supplied to Golden State users in portions of Los Angeles, Orange, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura counties.

### **Valley Mutual Water Company**

Water exported to Valley Mutual from the Project would supplement its existing demand for overlying agricultural usage. Valley Mutual is a private water company that delivers groundwater to approximately 1,600 acres of agricultural land in the Antelope Valley, along the Kern County–Los Angeles County line. These groundwater supplies supplement SWP deliveries.

## **Other Likely Places of Use**

Additional south-of-Delta places of use, such as Semitropic's groundwater banking partners, may be identified in the scoping process. Other likely places of use include Valley District, Western, and member agencies within Metropolitan. The likely places of use would receive Project water through direct delivery or delivery from groundwater banks. Included in these likely places of use is groundwater replenishment and in-lieu recharge in the Yucaipa groundwater basin, the San Bernardino Basin Area, the Rialto/Colton groundwater basin, the Riverside groundwater basin, and the Arlington groundwater basin.

## **Bay-Delta Estuary**

Project water may also be released to benefit outflow, water quality, and fish and wildlife resources within the Bay-Delta estuary. Additionally, the water may be used for other purposes including the Environmental Water Account.

## **Environmental Issues to be Addressed in this EIR**

Environmental issues addressed in this EIR will focus on the potential environmental impacts associated with providing Project water to the refined places of use and places of underground storage of water. In addition, this EIR also considers whether there will be changes to the project or prior impact analyses or conclusions in the 1995 Draft EIR/EIS, the 2000 Revised Draft EIR/EIS, and the 2001 Final EIR (SCH#1988020824) attributable to:

- Substantial changes proposed in the project requiring major revisions to the previous EIR due to involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- Substantial changes occurring with respect to the circumstances under which the project is undertaken which will require major revisions to the previous EIR due to involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
- New information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time of the previous EIR, that shows:
  - the occurrence of a new significant impact or substantial increase in the severity of the impact; or
  - that the mitigation measures or alternatives previously analyzed and found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponent declines to adopt; or
  - the occurrence of new mitigation measures or alternatives substantially different from those analyzed in the previous EIR that would substantially reduce one or more significant effects on the environment but the project proponent declines to adopt.

Based on the above discussion, the following environmental resource issues are expected to be addressed in the EIR:

- fisheries and wildlife, including new listings or changes in the status of threatened and endangered species listings,
- water quality,
- levee stability and flood control, and

- effects related to the use of water within the places of use.

## Environmental Issues Not to be Addressed in this EIR

The EIR is not expected to address aspects of the Project description that have not changed since the 2001 Final EIR and analyses adequately addressed in the 2001 Final EIR (SCH#1988020824). The existing environmental documentation previously published for the project is deemed adequate for these environmental issues.

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## Draft EIR/Public Scoping Schedule

Semitropic, as lead agency, requests your views regarding the scope and content of the environmental information in connection with the Project, as it relates to the project description changes ordered by the Court in *Central Delta Water Agency v. State Water Resources Control Board*. Due to the time limits mandated by state law, your response must be sent at the earliest possible date but no later than 30 days after receipt of this notice. The public scoping period is from November 24, 2008 to January 9, 2009. Please mail or otherwise deliver your written comments by 5 p.m. on January 9, 2009 to:

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ICF Jones & Stokes  
Attn: Megan Smith, Delta Wetlands Project  
630 K Street, Suite 400  
Sacramento, CA 95814

In addition to or instead of providing written comments, input may be provided at public scoping meetings:


December 17, 2008, from 4:00 p.m. to 6:00 p.m., at Semitropic Water Storage District,  
1101 Central Avenue, Wasco, CA, and

December 19, 2008, from 10:00 a.m. to 12:00 p.m., at ICF Jones & Stokes,  
630 K Street, Suite 400, Sacramento, CA, and

December 19, 2008, from 4:00 p.m. to 6:00 p.m., at Nick Rodriguez Community Center,  
multi-purpose room, 213 "F" Street, Antioch, CA.

If special facilities or resources are needed for the meeting, please call Megan Smith (ICF Jones & Stokes) at least five days in advance of the meeting at 916/737-3000. If commenting on behalf of an agency or other organization, please provide a name for an appropriate contact person for further communication.

Date: November 19, 2008

Signature:   
WILMAR L. BOSCHMAN

Title: General Manager

Telephone: (661) 758-5113

*Reference:* California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375.





## Distribution List

Bay Area Air Quality Management District,  
Planning Division  
939 Ellis Street  
San Francisco, CA 94109

California Department of Water Resources  
Division of Water Resources  
P.O. Box 942836  
Sacramento, CA 94236

Bethel Island Municipal Improvement District  
(BIMID)  
P.O. Box 244  
Bethel Island, CA 94511

California State Lands Commission  
Delta Area Land Manager, Environmental Division  
100 Howe Avenue, Suite 100 South  
Sacramento, CA 95825-8202

California Department of Fish and Game  
Donald Koch, Director  
1416 Ninth Street  
Sacramento, CA 95814

Central Valley Flood Protection Board  
P.O. Box 942836  
Sacramento, CA 94236

California Department of Fish and Game  
Sandy Morey, Regional Manager, North Central  
Region  
1701 Nimbus Road, Suite A  
Rancho Cordova, CA 95670

Central Valley Regional Water Quality Control  
Board  
Pamela Creedon, Executive Officer  
11020 Sun Center Drive #200  
Rancho Cordova, CA 95670-6114

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Region  
7329 Silverado Trail  
Napa, CA 94558

Delta Protection Commission  
Linda Fiack, Executive Director  
P.O. Box 530  
Walnut Grove, CA 95690

California Department of Fish and Game  
Bill Loudermilk, Regional Manager, Central  
Region  
1234 E. Shaw Avenue  
Fresno, CA 93710

Department of Boating and Waterways  
David Johnson  
2000 Evergreen Street, Suite 100  
Sacramento, CA 95815-3888

California Department of Parks and Recreation  
P.O. Box 942896  
Sacramento, CA 94296-0001

Federal Emergency Management Agency  
Director, FEMA Region IX  
111 Broadway, Suite 1200  
Oakland, CA 94607

California Department of Transportation, District 4  
P.O. Box 23660  
Oakland, CA 94623-0660

Kern County Water Agency  
P.O. Box 58  
Bakersfield, CA 93302-0058

California Department of Transportation,  
District 10  
1976 East Charter Way/East Dr. Martin Luther  
King Jr. Blvd  
Stockton, CA 95205

Metropolitan Water District of Southern California  
1121 L Street, Suite 900  
Sacramento, CA 95814

National Marine Fisheries Service  
650 Capitol Mall, Suite 8-300  
Sacramento, CA 95814-4708

State Clearinghouse  
Office of Planning and Research  
1400 10th St., Rm 121  
Sacramento, CA 95814

Native American Heritage Commission  
Mr. Larry Myers, Executive Secretary  
915 Capitol Mall, Room 364  
Sacramento, CA 95814

State Water Resources Control Board  
Victoria Whitney, Division of Water Rights  
P.O. Box 2000  
Sacramento, CA 95812

Office of Historic Preservation  
Milford Donaldson, SHPO  
1416 9th St., Room 1442-7  
Sacramento, CA 95814

U.S. Army Corps of Engineers  
1325 J St., Room 1480  
Sacramento, CA 95814

Port of West Sacramento  
Manager  
1110 West Capital Ave., 1st Floor  
West Sacramento, CA 95691

U.S. Bureau of Reclamation  
Donald Glaser  
2800 Cottage Way, MP-700  
Sacramento, CA 95825

Reclamation Districts 756, 2025, 2026, 2028  
Al Hoslett, Secretary  
311 East Main Street, Suite 504  
Stockton, CA 95202

U.S. Department of the Interior  
Regional Solicitor  
2800 Cottage Way, Room E-1712  
Sacramento, CA 95825-1898

Sacramento Area Flood Control Agency  
1007 7th Street, 7th Floor  
Sacramento, CA 95814

U.S. Environmental Protection Agency  
Director, Region 9  
75 Hawthorne Street  
San Francisco, CA 94105

San Bernardino Valley Municipal Water District  
P.O. Box 5906  
San Bernardino, CA 92412-5906

U.S. Fish and Wildlife Service  
Sacramento Fish & Wildlife Office  
2800 Cottage Way, Room W-2605  
Sacramento, CA 95825

San Francisco Bay Regional Water Quality Control  
Board  
1515 Clay Street, Suite 1400  
Oakland, CA 94612

USDA Natural Resources Conservation Service  
221 W. Court Street  
Woodland, CA 95695

San Joaquin Valley Unified Air Pollution Control  
District  
Northern Region  
4800 Enterprise Way  
Modesto, CA 95356

Western Municipal Water District of Riverside  
County  
450 Allesandro Blvd.  
Riverside, CA 92508

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